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SC No. 11148/64

9 SEP 1964

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: Soviet Purchases of Ion-Exchange Resins

REFERENCE: Memo to DCI from AD/SI, same subject, dated 4 September 1964 (SC 10989/64)

1. This memorandum is for your information and relates to some background on the subject of the reference memorandum. I would also like to take this opportunity to inform you of the very substantial support that is provided by OPR to officials administering the export control programs of the U.S., particularly in the Department of Commerce and also in the Department of State, in forwarding reports from a variety of sources which deal with cases where circumvention of international and U.S. export controls is suspected. Many of these reports are analyzed and interpreted before being downgraded or sanitized prior to forwarding. The case which was the subject of the reference memorandum was reported to Commerce and to State on 4 September, the date on which information relating to the shipment was received in OPR.

2. Our detail relating to this case is as follows:



b. IRA-400 is an ion-exchange resin produced under the general trade name "Amberlite" by the Rohm and Haas Co. of Philadelphia. The principal uses of this resin in the U.S. in 1962 were for the complete demineralization of water for high-pressure steam generating plants (50%) and the extraction of uranium from process liquors and pulp slurries (25%). Other smaller uses reportedly included the production of ultra pure water required for cooling and steam generation in nuclear powered aircraft carriers and submarines, and in Army package power plants. (An attempt is being made to get more

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up-to-date information on the U.S. use pattern.) U.S. production in 1963 of all types of ion-exchange resins was about 37,500 tons, only a small part of which (probably about 3,000 to 4,500 tons) consisted of the strongly basic anion type represented by IRA-400. U.S. exports of all types of ion-exchange resins in 1963 were reported to be about 4,356 tons, valued at \$4,410,118.

c. Ion-exchange resins are not on any security list, either international or U.S., for export control purposes. However, a validated license from the U.S. Department of Commerce is required for the export of these resins from the U.S. to any Communist country except Yugoslavia, and such licenses have generally been denied. (Two small shipments of IRA-400 were licensed in 1962 -- one to Rumania for one pound, and one to the USSR for 110 pounds.) The recent shipment of 60,000 liters, presumably made on 7 August, was a violation of U.S. export controls because, according to a responsible official of the U.S. Department of Commerce, no application was received for an export license in this case and, even had a license been requested, it would have been denied.

3. The USSR has a shortage of ion-exchange resins and has been importing them for some years. The following information is well known to the enforcement officials in Commerce and State. East Germany, since about 1959 or 1960, probably has been a supplier of strongly basic anion resins (Wofatit SEW and Wofatit SEW) suitable for use in processing uranium. The USSR also has been successful in obtaining some supplies from the Free World. Previous shipments of about 100 tons of Amberlite IRA-400 and 50 tons of Amberlite IRA-410 apparently were made in June 1964 by the Industrial Chemical and Dye Corporation of New York in violation of U.S. export controls. There is also evidence that in the past three years shipments of the same or similar resins may have reached the USSR from the U.K., France, Japan, Italy, and the Netherlands. In May 1964, two French firms falsified shipping documents to conceal a shipment of Amberlite to the USSR, apparently because the French manufacturer was associated with the Rohm and Haas Company of Philadelphia and the shippers wanted to avoid any interference with their contract from U.S. authorities.

4. The recent Soviet efforts to obtain substantial quantities of these resins from the Free World (at least 250-300 tons have been imported in the past six months) may be associated with the expansion of nuclear facilities known to be underway at several locations in the USSR, although part of the imported resins may be destined for new thermal power and chemical plants and other applications, both industrial and military, where highly demineralized water is required.

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OTTO M. GUNZ
 Assistant Director
 Research and Reports

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SC-10989/64

Copy 3 of 10

14 SEP 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Soviet Purchases of Ion-Exchange Resins

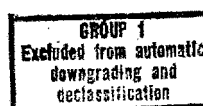
1. This memorandum is for information only; particular reference is made to paragraph 2.

2. The Soviets have been engaged for some years in trade negotiations with leading world-wide chemical suppliers to purchase ion-exchange resins, particularly two U.S. types, Amberlite - IRA 400 and - IRA 410. These resins are used extensively in uranium processing, plutonium production, other atomic energy processes, boiler-feed water purification and in specific chemical and pharmaceutical processes. Soviet resin technology is far behind that of the West, and shortages of these products have occurred and are of serious and continuing concern to the USSR. Shipments were made from Japan in 1963 (probably 100 tons), from France in May 1964 (285 tons), and, despite the U.S. embargo on these resins, the U.S. firm, Industrial Chemical and Dye Co., New York, N.Y., on 7 August 1964 shipped 570 tons. Although the current Soviet industrial expansion could absorb much of these shipments, the high priority AE program may be the principal recipient. Large amounts may be needed for process modifications, expansion and yield improvement now going on at atomic energy production facilities or perhaps for stockpiling against future needs. Hampered by an inadequate chemical technology, the Soviets apparently have found it easier to purchase ion-exchange resins abroad than to produce them domestically.

3.
on the Operating Committee or Advisory Committee on

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SUBJECT: Soviet Purchases of Ion-Exchange Resins

Export Policy, has been informed of the violation committed by the Industrial Chemical and Dye Company.

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DONALD F. CHAMBERLAIN
Assistant Director
Scientific Intelligence

cc: Deputy Director for Intelligence
Office of Research and Reports

CONCURRENCE:

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Deputy Director for Science and Technology

4 - SEP 1964

Date

COORDINATION:

Assistant Director/ORR

Date

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Deputy Director for Intelligence

8 SEP 1964
Date

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